

**Polish Financial Supervision Authority****Current report**                      **No 7 / 2019**Report date : 27<sup>th</sup> of March 2019

Abbreviated issuer name:

PATENTUS S.A......**Subject:**

Conclusion of a significant contract.

**Legal grounds:**

Article 17 paragraph 1 MAR - confidential information.

**Report content:**

The Board PATENTUS S.A. (the "Company", "Issuer") announces that on 27<sup>th</sup> of March 2019 Company received the signed contract No PAT 19.013-16 dated 15<sup>th</sup> March 2019 ("Agreement"), concluded between the Issuer and Polska Grupa Górnicza S.A. (the "Purchaser") with the registered office in Katowice.

The subject of the Agreement is: Supply of new equipment for the wall 618 - wall scraper conveyor with crusher, undercut scraper conveyor, crusher, sandwich device ("Subject of the Contract") for Polska Grupa Górnicza S.A. KWK branch "Bolesław Śmiały" ("End recipient").

The value of the Agreement will amount to 16 031 544.71 PLN.

The deadline for the implementation of the Subject of the Contract will be:

1) 12 weeks from the date of handing over the order issued by the Awarding Entity, with the exception of:

- a) the scraper conveyor hulls' delivery time is - up to 16 weeks,
- b) gears, couplings, engines and layettes - up to 16 weeks

2) the desired date of completion of the delivery of the gutter together with the cable guides: from 1<sup>st</sup> to 31<sup>st</sup> May 2019

Warranty: The Contractor shall provide the delivered delivery of the warranty: 24 months from the date of the final acceptance protocol, however, not longer than the warranty period extended by 6 months from the date of Completion Report to the Employer's warehouse.

- a) Detailed warranty: hulls of drives and gutter - 4 million tons of transported spoil or 48 months from the date of commissioning at the bottom, whichever comes first; gutter and chain drums - 2 million tons of transported spoil or 24 months from the date of commissioning at the bottom, whichever comes first; gears and clutches - 24 months from the date of commissioning at the bottom; engines and other electrical devices - 24 months from the date of commissioning at the bottom; bearings for the crusher drum (for longwall conveyors) - 2 million tons of transported spoil or 24 months from the date of commissioning at the bottom, whichever comes first; the hull of the crusher, the shaft with the bearings of the crusher, the elements of the crusher route - 3 million tons of transported spoil or 36 months from the date of commissioning at the bottom depending what happens earlier; ramming crushers - 12 months from the date of commissioning at the bottom; PZS and PZP chains - 18 months
- b) Warranty for replaced or repaired sub-assemblies or device components, excluding elements for which a detailed guarantee was granted - 12 months from the date of the service, but not less than the general guarantee;
- c) The following materials are not covered by the warranty: fuses, drive belts for crushers, oils, greases and bulbs;

d) Guarantee for fast-wearing elements with reduced lifespan, i.e. ejectors and ejector plates, overload protectors, replacement axles, clutch inserts, O-rings and seals - 12 months from the date of the final acceptance protocol, however not longer than 24 months from the date of completeness of delivery to the Ordering Party's warehouse.

#### Contractual penalties:

The Employer may charge the Contractor with contractual penalties:

- a) for withdrawal from the Agreement by one of the parties for reasons attributable to the Contractor in the amount of 10% of the net value of the part of the task to which the withdrawal applies;
- b) in the amount of 0.1% of the net value for each day of delay above the deadline for completion specified in § 7 to the 10<sup>th</sup> day inclusive,
- c) in the amount of 0.5% of net value for each day of delay over 10 days above the deadline for implementation specified in §7,
- d) in the amount of 0.01% of the net value of the part of the task concerned, for reporting warranty service at the headquarters of the Ordering Party for repair within more than 8 hours from notification, for each hour of delay,
- e) in the amount of 0.2% of the net value of the part of the task concerned, for not removing the reported failure within 24 hours from notifying the Contractor, for each day of delay,
- f) 0.1% of the net value of the subject of the Agreement in the scope of the task covered by the contract for each hour of failure removed under guarantee obligations, after exceeding in a given month 36 hours of total time of stops resulting from this type of failure,
- g) the value of accrued contractual penalties resulting from the provisions of point from b) to f) may not exceed 10% of the net value of the Agreement. The Contractor may charge the Ordering Party a contractual penalty for withdrawing from the Agreement by one of the parties for reasons attributable to the Ordering Party in the amount of 10% of the net value of the unrealized part of the Agreement in the scope of the task to which the withdrawal applies, which shall not apply to termination, withdrawal or termination of the Agreement. Irrespective of contractual penalties, the parties may claim damages on general terms of the amount of actual losses incurred, up to the gross value of the Contract,

#### Cancellation, termination or withdrawal of the Agreement:

1. The parties may terminate the Agreement at any time by agreement of the parties.
2. In the event of non-performance or improper performance of the obligation under the Agreement by one of the parties, after the other party designates an appropriate additional deadline to perform the Agreement, the other party in case of ineffective expiration of that period, will be entitled to withdraw from the Agreement ex nunc (from now ). If the parties' services are divisible and one of the parties allows delay only for a part of the benefit, the right to withdraw from the contract to the other party is limited, at its option, either to this part or to the rest of the unfulfilled benefit. This party may also waive the whole, if the partial performance would not matter to it because of the nature of the obligation or because of the intended purpose of the contract, aware of the party who is in default.
3. The Contracting authority has the right to withdraw from the Agreement ex nunc (from now) in the event of a breach by the Contractor of the law, resulting in a threat to the security of the property of the Employer or health, life of employees. This right may be exercised by the Contracting Authority within 30 days of becoming aware of the law by the Contractor of the law resulting in the above mentioned threats. In this case, the Contractor shall only be entitled to the remuneration due to him for the performance of the part of the Contract.
4. The Ordering Party reserves the right to unilaterally withdraw from the Contract ex nunc (from now) in the case of:
  - 1) significant change in the circumstances causing its performance is not in the public interest, which could not have been foreseen at the conclusion of the Agreement. Withdrawal can take place within 30 days of becoming aware of the above circumstances. In this case, the Contractor shall only be entitled to the remuneration due to him for the performance of the part of the Contract.
  - 2) losing by the Contractor owned rights, to perform activities or activities covered by the subject of the contract, if the law imposes an obligation to hold them
  - 3) in the case of proposing a different subcontractor, as a result of a change or resignation by the Contractor from a subcontractor who does not meet the rules specified in art. 26 of Act No. 2b of the

Act in order to demonstrate compliance with the conditions for participation in the proceedings, referred to in art. 22 par. 1 of the Act, required during the procurement procedure.

4) employment by the Contractor to perform the order of employees who were employed in the past as employees of Polska Grupa Górnicza and the employment relationship was terminated with them, pursuant to Article 52 § 1 point. 1) and 3) of the Labor Code (Journal of Laws of 2018, item 917,)

5) opening liquidation proceedings,

6) performance of the Subject of the Contract contrary to its provisions or documentation,

7) performance of the Agreement in a way threatening the name of the Employer or subsidiaries and related to the Employer

8) breach by the Contractor of his other obligation, which has not been removed in a separate time period counted from the date of delivery of such a summons, which will in particular include: determining the details of the violation

a request to remove these violations

deadline for making requests

5. The Purchaser has the right to terminate the ex nunc Agreement (from now) with a notice period of not less than 30 days and no more than 90 days, specified in a separate statement, in the case of:

1) limitation of production or reorganization in organizational units of the Employer, causing the possibility of using the released means of production or human potential to independently implement by the Employer services covered by the Agreement

2) changes in the organizational structure of the Employer, resulting in the fact that the benefit covered by the Agreement can not be implemented

3) failure to perform or improper performance of the contract due to reasons attributable to the Contractor, with the following:

a) non-performance of the order means repeated evasion by the Contractor from the implementation of the Agreement in whole or in part

b) improper performance of the contract shall mean the performance of the contract in a manner inconsistent with the manner specified in the Contract, resulting in the fact that the obtained effect of the contract is unsuitable for specific purposes planned by the Employer.

6. The provisions of para. 1-5 do not exclude the possibility of withdrawing from the Agreement under the provisions of the Civil Code

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PATENTUS SPÓŁKA AKCYJNA

( full issuer name )

PATENTUS S.A.

(abbreviated issuer name)

Electro engineering industry ( ele )

(sector acc. to WNE classification)

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**SIGNATURES OF THE COMPANY'S REPRESENTATIVES:**

Date	Name and Surname	Position/Function	Signature
27 <sup>th</sup> of March 2019	Józef Duda	President of the Management Board	.....